

MONTHLY OPERATING REPORT**CHAPTER 11**CASE NAME: Warehouse 86, LLCCASE NUMBER: 08-03423-EEFor Period Mar. 1 to Mar. 31, 200 9Mark One Box For Each
Required Report/Document**THIS REPORT IS DUE 15 DAYS AFTER THE END OF THE MONTH.**
The debtor must attach each of the following reports unless the
United States Trustee has waived the requirement in writing. File original
with Clerk of Court and duplicate with UST with an original signature.

Report/Document Attached	Previously Waived	REQUIRED REPORTS/DOCUMENTS
(mark only one - attached or waived)		
(x)	()	Comparative Balance Sheet (Form 2-B)
(x)	()	Profit and Loss Statement (Form 2-C)
(x)	()	Cash Receipts & Disbursements Statement (Form 2-D)
(x)	()	Supporting Schedules (Form 2-E)
(x)	()	Narrative (Form 2-F)
(x)	()	Copies of Bank Statement(s) and Reconciliations of Bank Balance to Book Balance for all Account(s)

**I declare under penalty of perjury that the following Monthly Financial Report and any
attachments thereto, are true and correct to the best of my knowledge and belief.**Executed on: April 14, 2009Debtor(s)*: Warehouse 86, LLCBy:** Position: Chief Financial OfficerName of Preparer: Ernest K. Strahan, IIITelephone No. of Preparer: 901-626-8545

*both debtors must sign if a joint petition

**for corporate or partnership debtor

CASE NAME: Warehouse 86, LLC

CASE NUMBER: 08-03423-EE

COMPARATIVE BALANCE SHEET

	Filing Date					Month					Month				
	11/04/08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Month	Month	Month	Month	Month	Month	Month	Month	Month
ASSETS:															
CURRENT ASSETS:															
Cash	89,361	160,626	241,228	217,930	161,996	157,703									
Accounts Receivable, Net	152,270	121,206	2,704	611	611	611									
Inventory, at lower of cost or market	73,633	163,361	0	0	0	0									
Prepaid expenses & deposits	103,702	103,702	77,502	117,502	117,502	117,502									
Other															
TOTAL CURRENT ASSETS	418,966	548,895	321,434	336,043	280,109	275,816									
PROPERTY, PLANT & EQUIPMENT**	2,178,073	2,178,073	0	0	0	0									
Less accumulated depreciation	-1,124,978	-1,148,876	0	0	0	0									
NET PROPERTY, PLANT & EQUIPMENT	1,053,095	1,029,197	0	0	0	0									
OTHER ASSETS															
Interests in incorporated businesses	6,573	7,414	3,095	0	0	0									
Insurance claim from tornado & fire,															
registered name, customer lists															
(unknown)															
TOTAL OTHER ASSETS	6,573	7,414	3,095	0	0	0									
TOTAL ASSETS	1,478,634	1,585,506	324,529	336,043	280,109	275,816									

If assets are carried at historical cost on debtor's accounting records and debtor elects to show them as such on the monthly reports, note the change above and include remarks on FORM 2-F (Narrative). All subsequent reports must then carry these assets at that value. Do not use historical cost one month and fair market value the next.

**This number does not include \$1,117,225.84, the estimated reduction due to the tornado/fire.

CASE NAME: Warehouse 86, LLC

CASE NUMBER: 08-03423-EE

COMPARATIVE BALANCE SHEET

	Filing Date					Month					Month				
	11/04/08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Month	Month	Month	Month	Month	Month	Month	Month	Month
LIABILITIES:															
POST-PETITION LIABILITIES ***															
Taxes Payable (FORM 2-E, P. 1 of 3)		888	1,096	0	0	0								0	
Accounts Payable (FORM 2-E, P. 1 of 3)	0	42,870	20,791	54,751	1,981	242								242	
Other - DIP Loan		250,703	0	0	0	0								0	
TOTAL POST-PETITION LIABILITIES	0	294,461	21,887	54,751	1,981	242								242	-
PRE-PETITION LIABILITIES ***															
Notes Payable-Secured	1,264,902	1,264,902	3,732	3,732	3,732	3,732								3,732	
Priority Debt	9,000	9,000	9,000	9,000	9,000	9,000								9,000	
Priority Debt-Unsecured	19,000	19,000	19,000	19,000	19,000	19,000								19,000	
Unsecured Debt**	2,562,082	2,522,783	2,516,171	2,516,171	2,516,171	2,516,171								2,516,171	
Other															
TOTAL PRE-PETITION LIABILITIES	3,854,984	3,815,685	2,547,903	2,547,903	2,547,903	2,547,903								2,547,903	
TOTAL LIABILITIES	3,854,984	4,110,146	2,569,790	2,602,654	2,549,884	2,548,145								2,548,145	-
EQUITY (DEFICIT)															
PREFERRED STOCK															
COMMON STOCK															
PAID-IN CAPITAL															
RETAINED EARNINGS															
Through Filing Date	(2,376,350)	(2,376,350)	(2,376,350)	(2,376,350)	(2,376,350)	(2,376,350)								(2,376,350)	
Post Filing Date		(148,290)	131,089	109,739	106,575	104,021								104,021	
TOTAL EQUITY (NET WORTH)	(2,376,350)	(2,524,640)	(2,245,261)	(2,266,611)	(2,269,775)	(2,272,329)								(2,272,329)	-
TOTAL LIABILITIES & EQUITY	1,478,634	1,585,506	324,529	336,043	280,109	275,816								275,816	-

**Reflects payment of utility charges and insurance premiums pursuant to court order

***Reflects updated November pre and post-petition liability balances due to final reconciliation.

CASE NAME: Warehouse 86, LLCCASE NUMBER: 08-03423-EE**CASH RECEIPTS AND DISBURSEMENTS STATEMENT**For Period Mar. 1 to Mar. 31, 200 9**CASH RECONCILIATION**

1.	Beginning Cash Balance (Ending Cash Balance from last month's report)		<u>\$ 161,998</u>
2.	Cash Receipts (total Cash Receipts from page 2 of all FORM 2-D's)	<u>\$ 192</u>	
3.	Cash Disbursements (total Cash Disbursements from page 3 of all FORM 2-D's)	<u>\$ 4,487</u>	
4.	Net Cash Flow		<u>\$ (4,295)</u>
5.	Ending Cash Balance (to FORM 2-B)		<u>\$ 157,703</u>

CASH SUMMARY - ENDING BALANCE

	Amount*	Financial Institution
1. Operating Account	\$ -	Bank of America-3903
2. Operating Account	\$ -	Bank of America-9451
3. Payroll Account	\$ -	Bank of America-5429
4. Sales Account	\$ -	PayPal
5. Sales Account	\$ -	PayPal Alt
6. Sweep Account	\$ -	Bank of America
7. Operating Account	\$ 144,740	Bank of America-DIP
8. Payroll Account	\$ 12,963	Bank of America-DIP Payroll
TOTAL (must agree with line 5 above)	<u>\$ 157,703</u>	

*These amounts should be equal to the previous month's balance for the account plus this month's receipts less this month's disbursements.

ADJUSTED CASH DISBURSEMENTS

Cash disbursements on Line 3 above less
inter-account transfers & UST fees paid \$ 4,487

*NOTE: This amount should be used to
determine UST quarterly fees due and agree
with Form 2-D, page 2 of 4.

CASE NAME: Warehouse 86, LLCCASE NUMBER: 08-03423-EE**CASH RECEIPTS AND DISBURSEMENTS STATEMENT**

(This form should be completed for each type of account listed on page 1 of FORM 2-D that the debtor maintained during the month.)

For Period Mar. 1 to Mar. 31, 200 9Account Name: DIP-Payroll Account Account Number: 3755551966**CASH RECEIPTS JOURNAL**

(attach additional sheets as necessary)

<u>Date</u>	<u>Description (Source)</u>	<u>Amount</u>
03/23/2009	Refund-Telephone Expense	5.00
03/23/2009	Sales	70.16

Total Cash Receipts \$ 75.16

CASE NAME: Warehouse 86, LLC

CASE NUMBER: 08-03423-EE

CASH RECEIPTS AND DISBURSEMENTS STATEMENT

(This form should be completed for each type of account listed on page 1 of FORM 2-D that the debtor maintained during the month.)

For Period Mar. 1 to Mar. 31, 200 9

Account Name: Bank of America-DIP Account Number: 3755551953

CASH RECEIPTS JOURNAL

(attach additional sheets as necessary)

<u>Date</u>	<u>Description (Source)</u>	<u>Amount</u>
3/3/09	ADP-Payroll Expenses	118.34

Total Cash Receipts \$ 118.34

CASE NAME: Warehouse 86, LLC

CASE NUMBER: 08-03423-EE

CASH RECEIPTS AND DISBURSEMENTS STATEMENT

(This form should be completed for each type of account
listed on page 1 of FORM 2-D that the debtor maintained during the month.)

For Period Mar. 1 to Mar. 31, 200 9

Account Name: DIP-General Account Account Number: 3755551953

CASH DISBURSEMENTS JOURNAL

(attach additional sheets as necessary)

<u>Date</u>	<u>Check No.</u>	<u>Payee</u>	<u>Description (Purpose)*</u>	<u>Amount</u>
03/02/2009	20116	First Insurance Funding	Insurance	\$1,056.42
03/02/2009	20117	Safeco Business Insurance	Insurance	\$24.13
03/09/2009	20118	TN Secretary of State	Taxes	\$1,420.00
03/24/2009	20119	First Insurance Funding	Insurance	\$1,056.42
03/16/2009		Bank of America	bank charges	\$185.08
03/01/2009		Bank of America	supplies	\$36.00
03/01/2009		Bank of America	bank charges	\$22.35

Total Cash Disbursements \$3,800.40

*Identify any payments to professionals, owners, partners, shareholders, officers, directors or any insiders and all adequate protection payments ordered by the court with an asterisk or highlighting. Any payments made as a result of a court order, should indicate the order date.

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CASE NUMBER: 08-03423-EE

CASH RECEIPTS AND DISBURSEMENTS STATEMENT

(This form should be completed for each type of account
listed on page 1 of FORM 2-D that the debtor maintained during the month.)

For Period Mar. 1 to Mar. 31, 200 9

Account Name: DIP-Payroll Account Account Number: 3755551966

CASH DISBURSEMENTS JOURNAL

(attach additional sheets as necessary)

<u>Date</u>	<u>Check No.</u>	<u>Payee</u>	<u>Description (Purpose)*</u>	<u>Amount</u>
03/16/2009		Bank of America	service charge	26.79
03/01/2009		ADP	Payroll expenses	659.00

Total Cash Disbursements \$ 685.79

*Identify any payments to professionals, owners, partners, shareholders, officers, directors or any insiders and all adequate protection payments ordered by the court with an asterisk or highlighting. Any payments made as a result of a court order, should indicate the order date.

CASE NAME: Warehouse 86, LLC CASE NUMBER: 08-03423-EE

SUPPORTING SCHEDULES

For Period Mar. 1 to Mar. 31, 2009

INSURANCE SCHEDULE

Type	Carrier/Agent	Coverage (\$)	Date of Expiration	Premium Paid
General Liability	Employers Mutual Casualty Marchetti Robertson & Brickell	1,000,000	4/15/09	Yes
Property (Fire, Theft)	Employers Mutual Casualty Marchetti Robertson & Brickell	1,000,000	4/15/09	Yes
Vehicle	General Insurance Co. of America Marchetti Robertson & Brickell	1,000,000	4/29/09	Yes
Other (list): Excess/Umbrella	National Union Fire Ins. Co. Marchetti Robertson & Brickell	3,000,000	7/11/09	Yes

(1) Attach copy of certificate of insurance or declaration page of policy for any coverage renewed or replaced during the current reporting month.

(2) For the premium paid column enter "yes" if payment of premium is current or "no" if premium payment is delinquent. If "no", explain on Form 2-F, Narrative.

CASE NAME: Warehouse 86, LLC CASE NUMBER: 08-03423-EE

NARRATIVE STATEMENT

For Period Mar. 1 to Mar. 31, 2009

Please provide a brief description of the significant business and legal action by the debtor, its creditors or the court during the reporting period. Comments should include any change in bank accounts, explanation of extraordinary expenses, and purpose of any new post-petition financing. Comments should also include debtor's efforts during the month to rehabilitate the business and to develop a plan.

[illegible]

Bank of America

CUSTOMER CONNECTION
BANK OF AMERICA, N.A.
DALLAS, TEXAS 75283-2406

Account Number 3755551953
01 01 152 01 M0000 E# 3
Last Statement: 02/27/2009
This Statement: 03/31/2009

HH

Customer Service
1-877-757-8233

WAREHOUSE 86 LLC
DEBTOR IN POSSESSION 08-03423
GENERAL PAYABLES ACCOUNT
PO BOX 16692
JACKSON MS 39236

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Bankruptcy Case Number: 0803423

ANALYZED CHECKING**Account Summary Information**

Statement Period 02/28/2009 - 03/31/2009	Statement Beginning Balance	148,688.49
Number of Deposits/Credits 2	Amount of Deposits/Credits	75.16
Number of Checks 3	Amount of Checks	2,500.55
Number of Other Debits 1	Amount of Other Debits	185.08
	Statement Ending Balance	146,078.02
Number of Enclosures 3	Service Charge	.00

Deposits and Credits

Date Posted	Customer Reference	Amount	Description	Bank Reference
03/17		5.00	TN BANKING CENTER DEPOSIT	1003720525622
03/17		70.16	TN BANKING CENTER DEPOSIT	1003720525624

Withdrawals and Debits**Checks**

Check Number	Amount	Date Posted	Bank Reference	Check Number	Amount	Date Posted	Bank Reference
20116	1,056.42	03/05	3892513051	20118	1,420.00	03/16	5892562488
20117	24.13	03/09	8992788225				

Other Debits

Date Posted	Customer Reference	Amount	Description	Bank Reference
03/16		185.08	Account Analysis Fee ANALYSIS CHARGE FEBRUARY BILLING FOR DETAIL 37555-51953	08790050722

Daily Balances

Date	Ledger Balance	Collected Balance	Date	Ledger Balance	Collected Balance
02/27	148,688.49	148,688.49	03/19	146,078.02	146,007.86
03/05	147,632.07	147,632.07	03/20	146,078.02	146,073.82
03/09	147,607.94	147,607.94	03/23	146,078.02	146,078.02
03/16	146,002.86	146,002.86	03/31	146,078.02	146,078.02
03/17	146,078.02	146,002.86			

Bank of America

CUSTOMER CONNECTION
BANK OF AMERICA, N.A.
DALLAS, TEXAS 75283-2406

Account Number 3755551966
01 01 152 01 M0000 E# 0
Last Statement: 02/27/2009
This Statement: 03/31/2009

Customer Service
1-877-757-8233

WAREHOUSE 86 LLC
DEBTOR IN POSSESSION 08-03423
PAYROLL ACCOUNT
PO BOX 16692
JACKSON MS 39236

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Bankruptcy Case Number:0803423

ANALYZED CHECKING

Account Summary Information

Statement Period 02/28/2009 - 03/31/2009	Statement Beginning Balance	12,871.70
Number of Deposits/Credits	Amount of Deposits/Credits	118.34
Number of Checks	Amount of Checks	.00
Number of Other Debits	Amount of Other Debits	26.79
	Statement Ending Balance	12,963.25
Number of Enclosures		
	Service Charge	.00

Deposits and Credits

Date Posted	Customer Reference	Amount	Description	Bank Reference
03/03		118.34	ADP TX/FINCL SVC DES:ADP - TAX ID:559019595744Y73 INDN:WAREHOUSE 86 LLC WAREH CO ID:9333006057 CCD	6101402010

Withdrawals and Debits

Other Debits

Date Posted	Customer Reference	Amount	Description	Bank Reference
03/16		26.79	Account Analysis Fee ANALYSIS CHARGE FEBRUARY BILLING FOR DETAIL 37555-51966	0879005072

Daily Balances

Date	Ledger Balance	Collected Balance	Date	Ledger Balance	Collected Balance
02/27	12,871.70	12,871.70	03/16	12,963.25	12,963.25
03/03	12,990.04	12,990.04	03/31	12,963.25	12,963.25